B.C.D. 03-32

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EMPLOYER STATUS DETERMINATION
Western Railway of Alabama (WRA)

This is a determination of the Railroad Retirement Board concerning the continuing status of Western Railway of Alabama (WRA) (B.A. No. 1527) as an employer under the Railroad Retirement Act (45 U.S.C. §231 et seq.) (RRA) and the Railroad Unemployment Insurance Act (45 U.S.C. §351 et seq.) (RUIA). WRA has been an employer under the RRA and RUIA, with service creditable from March 15, 1883.

In Surface Transportation Board (STB) Finance Docket 34290, decided December 19, 2002, WRA and CSX Transportation Inc. (B.A. No. 1524) (CSXT) filed a verified notice of exemption with respect to a proposed corporate restructuring, through which WRA, which is controlled by CSXT, would be merged into CSXT, with CSXT as the surviving entity. According to the STB decision, pursuant to an agreement with WRA, CSXT would acquire and own all of the assets of WRA and would be responsible for all debts, liabilities and obligations of WRA. As stated in the STB decision, the purpose of the merger transaction was to reduce corporate overhead and duplication by eliminating one corporation (i.e. WRA) while retaining the same assets to service customers. As stated in the STB decision, the separate existence of WRA would cease and CSXT would be the surviving entity. According to the Agreement and Plan of Merger between WRA and CSXT, WRA's merger with CSXT was to take effect upon the exemption by the STB (section 1.2 of Plan of Merger).

Information regarding WRA was furnished by Mr. Walter G. Williard, Director-Payroll & Excise Taxes for CSX Corporation. Information provided by Mr. Williard shows that WRA owned and operated approximately 128.3 miles of railroad from West Point, Georgia to Selma, Alabama. As stated above, Mr. Williard reported that WRA, an Alabama corporation, merged into CSXT on December 3, 2002, pursuant to authority in STB Finance Docket No. 34290. According to Mr. Williard, Mr. M. J. Ward was

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the President of WRA. WRA's directors were P.J. Aftoora, F.J. Favorite, O.A. Marrow, W.B. Reed, R.R. Yates and Mr. Ward. Mr. Willard stated that WRA had no employees and that all of WRA's transactions were handled by the employees of CSXT.

Section 202.11 of the Board's regulations provides that:

> The employer status of any company or person shall terminate whenever such company or person loses any of the characteristics essential to the existence of an employer status. (20 CFR 202.11.)

The record in this case indicates that WRA lost the characteristics essential to the existence of its employer status and ceased being a covered rail carrier employer effective December 3, 2002, the date on which WRA merged into CSXT.

Cherryl T. Thomas

V. M. Speakman, Jr.

Jerome F. Kever